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SUBJECT: HANEDA AIRPORT INTERNATIONALIZATION HEATS UP

REF: A. TOKYO 1432

[B](#). TOKYO 24

[C](#). TOKYO 1489

[1](#)1. (SBU) Summary: Japan has concluded its first agreements, with Malaysia and Korea, for international flights into Tokyo's Haneda Airport from 2010. The agreement with Korea marks the first time the GOJ has allocated daytime slots at Haneda Airport for scheduled international flights under Japan's "Asia Gateway Initiative." Executives from U.S. and Japanese carriers laud Haneda's internationalization. U.S. carriers too would like increased access to Haneda, even if it means giving up slots at Narita where the GOJ moved international flights years ago. The U.S. carriers believe they are at a competitive disadvantage compared to Japanese airlines and are concerned foreign carriers' access to Haneda may exacerbate the problem. End Summary.

Japan,s Agreements with Malaysia and Korea

[1](#)2. (SBU) Consistent with an MLIT official,s statement in late July that Japan would begin negotiating Haneda Airport slots with Asia Gateway Initiative countries, Japan has concluded its first and second agreements for international scheduled passenger flights at Haneda Airport beginning in 2010 after Haneda's expansion is complete.

[1](#)3. (U) In air talks July 24-25, Japan and Malaysia agreed to up to seven flights per week for each Japanese and Malaysian airline.

[1](#)4. (U) In talks August 12-13, Japan and Korea agreed to 12 scheduled daytime flights per day between Korea,s Gimpo Airport and Haneda Airport. Four of these flights per day could alternatively be operated between Haneda and Pusan. The agreement with Korea marks the first time MLIT has allocated daytime slots at Haneda Airport for international flights. In addition, carriers from both countries can operate a total of four flights during nighttime hours (10pm) 7am). Though the destinations of these flights are not yet finalized, Inchon is a probable one. Currently, eight scheduled "charter" flights per day operate between Haneda and Gimpo.

15. (U) The air talks follow JCAB,s July 23 meeting when three Tokyo area prefectures (Tokyo, Chiba and Kanagawa) agreed to the Fuyushiba Plan, which allocates 60,000 total slots (half daytime and half nighttime) to international flights at Haneda Airport when its expansion is complete in 2010.

Reaction from U.S. Carriers

16. (SBU) Econoff spoke with executives from four U.S. carriers. Two stated August 15 Haneda internationalization will negatively affect operations at Narita, and one indicated he would need to draw down at Narita for any flight he could fly out of Haneda. He continued he would like to move his airline's entire operation to Haneda, but that his airline would "take what we can get." Regarding a conversation he had with a GOJ official who said eventual U.S. carrier Haneda operations would be limited to nighttime and West Coast services, the airline executive believes the GOJ will have difficulty explaining opening daytime flights to other countries but not the U.S.

17. (SBU) A third executive stated he is unhappy about Japan's agreement with Korea, calling it "another example of unfair practice against carriers, especially incumbent carriers that have also built up their presence over the years, invested heavily in Japan, forced to move to Narita and then later advised Haneda will be international yet we can,t move our

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operations back." Executives from several U.S. carriers have reiterated in conversations with emboff that MLIT,s regulations favor Japanese carriers and are anti-competitive.

Japanese Carriers on Haneda Internationalization

18. (SBU) In a June 18 meeting with econoff, an All Nippon Airlines (ANA) executive stated Haneda Airport must be internationalized. However, he believes the GOJ-planned 30,000 slots are inadequate, and instead a 110,000-slot increase (more than half international) is more appropriate. He supports liberalization of all slots, without restrictions, and ideally, airlines could fly anywhere. However, Haneda cannot be internationalized overnight, he continued, and no matter how much negotiation takes place, restrictions cannot be lifted all at once. Interestingly, he believes no U.S. airlines are interested to fly out of Haneda at this time.

19. (SBU) A Japan Airlines (JAL) executive had told econoff in a July 31 meeting that capacity is too limited in the Tokyo metropolitan airports because flights cannot fly over densely populated Tokyo, and because Yokota airspace limits commercial airspace. If Narita operated 24 hours a day, he added, it would be better, but complicated historical factors make this impossible. Ideally, he said, domestic and international flights would all be concentrated out of one airport: Haneda. However, he stated U.S. airlines hold nearly one-third of available slots and are leasing them out, so if U.S. airlines did not "abuse" their slots and instead returned some of them, the capacity problem would be alleviated somewhat. (Comment: Conversely, a U.S. airline executive complained July 30 to econoff that Japanese airlines are flying smaller aircraft to take up more slots and keep competitors out.)
SCHIEFFER